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January 23, 2012

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: *Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42;
Federal-State Joint Board on Universal Service, CC Docket No. 96-45;
Lifeline and Link Up, WC Docket No. 03-109***

Dear Ms. Dortch:

On January 19, 2012, Maggie McCready, Bettina Clark and the undersigned of Verizon met with Michael Steffen and Zac Katz of Chairman Genachowski's office, and with Sharon Gillett, Carol Mattey, Trent Harkrader, Kim Scardino, and Jamie Susskind of the Wireline Competition Bureau to discuss issues raised in the Lifeline/Link Up reform and modernization proceeding.

In the meeting, we explained that Verizon supports reform of the Lifeline fund and the overall goals of those reforms recently outlined by Chairman Genachowski. In particular, Verizon supports the development of a national database that would support the functionalities proposed in the Notice -- *i.e.*, a database that would "verify consumer eligibility, track verification and check for duplicates to ensure greater program accountability."¹ If the Commission establishes a database that is initially limited to checking for duplicate enrollment, the Commission should make clear that it will move quickly to a second phase in which the centralized administrator assumes responsibility for verifying consumer eligibility and tracking verification.

The Commission should not adopt an interim rule that would require carriers to verify the continued eligibility of all Lifeline customers every year. Unless a carrier is able to compare its Lifeline customer rolls to state records of enrollees in qualifying programs, the carrier would have

¹ *Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; Lifeline and Link Up*, Notice of Proposed Rulemaking, 26 FCC Rcd 2770, ¶ 207 (2011) ("Notice").

to contact all Lifeline customers through mailings or other approaches that have low response rates and incur significant costs. We pointed out that the administrative costs of such an approach would be substantial and would cause needless churn for Lifeline customers, due in large part to the low response rate.

Instead of expending resources on interim changes to existing carrier-driven verification procedures, the Commission should assign verification responsibilities to a national administrator as soon as possible. If the Commission does adopt a requirement that carriers verify the continued eligibility of all of their Lifeline customers, the Commission should defer the effective date of that requirement for at least 12-to-18 months in order to provide states with sufficient time to provide carriers with access to state records that demonstrate customer participation in qualifying programs. The Commission should make clear that it expects states to provide such access.

To the extent that the Commission requires carriers to obtain self-certifications from any customer whose eligibility cannot be verified through comparison with state records, the Commission should (1) not require annual self-certifications but should instead adopt a longer interval such as the three-year interval proposed by GCI; (2) allow carriers to take a staggered approach to the recertification process in a state in order to manage the impact on call centers and other carrier resources; and (3) give carriers the flexibility to select the most effective approach for contacting customers and collecting responses, including interactive voice response (IVR) systems or web-based methods.

We also discussed the scope and application of proposed new audit requirements. To the extent that the new audits add to existing audit programs, rather than replace existing audit programs, the new audits should be applied only to newly-designated ETCs or ETCs that have experienced significant increases in program support.²

Finally, we said that the Commission should not mandate that carriers allow consumers to apply their Lifeline discounts to any Lifeline calling plan with a voice component, including bundled service packages combining voice and broadband. Expanding the range of service packages that are eligible for Lifeline discounts would further increase the size of the Lifeline fund.

Sincerely,

/s/ Alan Buzacott

cc:	Zac Katz	Trent Harkrader
	Michael Steffen	Kim Scardino
	Sharon Gillett	Jamie Susskind
	Carol Matthey	

² Notice at ¶¶ 98, 102.